

PART 2. ASSESSMENT, TARGETING, INSTITUTIONAL STRUCTURE, AND PUBLIC PARTICIPATION

Part 2 of the CAPER presents an 1) assessment of the FY 2004 Action Plan accomplishments in expanding homeownership, sustaining current owners, increasing the supply of affordable housing, and providing non-housing community/economic development for low and moderate income residents; 2) identifies the challenges that were encountered; and 3) discusses strategies and actions taken to overcome obstacles, such as targeting; coordination through the organizational structure and increasing outreach and public education.

1. Assessment of Fiscal Year 2004 Accomplishments

A description of all DHCD Programs is attached in Appendix C, starting on page 106.

a) Expanding Homeownership

The District of Columbia made gains in homeownership according to the 2000 Census, but with a 40.8% ownership rate, the District still lags behind the national and regional averages. DHCD has contributed to increasing ownership opportunities for low-moderate income, first-time home buyers by providing Home Purchase Assistance Program loans to 1,752 between 2001 and 2004 and assisting over 800 tenant households purchase their units as Condos or Co-Ops.

A major obstacle to increasing home ownership for low to moderate-income households is the rapid escalation in home prices over the past two years which has reduced the number of affordable properties available to income-qualified buyers, even with DHCD subsidies. There does not appear to be any relief from this trend in sight for the District of Columbia or for the surrounding Maryland and Virginia suburban communities. Particularly squeezed in this pricing situation are tenants because properties that were formerly federally-subsidized are opting out of federal coverage and converting to market rate housing. Many rental property owners are converting to condominiums and raising the price of ownership as well as shrinking the supply of rental units throughout the region.

The Home Purchase Assistance Program (HPAP)

During FY 2004, DHCD obtained DC Council support for increased loan levels for first-time purchasers to try to keep pace with the rapidly increasing cost of housing. HPAP loans to low- and very-low-income persons can be up to \$30,000, and for moderate-income persons loans can be up to \$10,000. HPAP also made all loans deferred for five years.

Even with these enhancements, HPAP fell short of its FY 2004 Action Plan goal to provide 240 loans for down payment and closing costs to first-time buyers. We provided 231 loans. Of households assisted to become first-time owners under HPAP, 196 were African American and 26 were Hispanic.

HPAP applicants have continued strong interest in the program, but have been unable to find homes to purchase due to the intense competition for the limited inventory of affordable homes in the District.

Homestead Housing:

There was no Homestead lottery in FY 2004 due to a lack of available tax-delinquent properties. The Homestead Housing Program depends upon acquisition of DC tax-delinquent or abandoned property for re-sale to low-moderate-income first-time homeowners for \$250 through an annual lottery or to non-profit housing developers through a Request for Proposals.

Given the “hot” real estate market, many property owners paid their delinquent taxes and put their properties on the open market. Additionally another local government program operated by the Office of the Deputy Mayor for Planning and Economic Development, the “Home Again,” Program, took possession of the remaining tax-delinquent properties to create bundles of delinquent properties to sell to developers for rehab and resale. A portion of the homes sold by developers must be made available to low-moderate income persons. DHCD is not setting any targets for the Homestead Program at this time, but continues to pursue title clearance activity with the hope of conducting a lottery in FY 2005.

The Homestead Program budget has been used for staffing the continuing home rehabilitation efforts associated with housing units that had been made available through Homestead lotteries in past years, and with title clearance activities. (See Part 3, Uses of Funds, Homestead Program, Page 42)

Tenant First Right to Purchase Program and Tenant Apartment Purchase Assistance Program:

The FY 2004 Action Plan goal was to assist 200 tenant-households in converting from rental to ownership. DHCD fell short of the FY goal, but was able to assist 109 tenant households toward first-time ownership. There was a drop off in applications toward the end of the fiscal year, but DHCD anticipates that there will be an increase in applications in early FY 2005. The escalating value of property in DC affects all housing programs geared toward low-moderate income persons.

The program provides tenant counseling on first right to purchase as well as technical assistance, seed loans, “earnest money” deposit loans, and acquisition loans to tenant organizations so that they can begin the process of converting their rental units to

ownership. Following conversion, the program also offers management assistance. The program provided counseling and/or management services for 6,675 tenant households in FY 2004. Tenant organizations can also obtain DHCD rehabilitation assistance for converted properties under the Development Finance Project Financing Program.

b) *Sustaining Current Owners:*

Single Family Home Rehabilitation:

The Single-Family Residential Rehabilitation Program (SFRRP) is a source of low-cost financing for the rehabilitation of single-family owner-occupied housing located within the District of Columbia. Program activities include repairs to correct housing code violations, to remove threats to occupant health and safety, and to reduce lead-based paint hazards. The program features a number of different financing mechanisms and emphases, including:

- Low-interest amortized loans and no-interest deferred loans for rehabilitation, with an automatic deferral of the first \$10,000 of rehabilitation financing for senior citizens;
- Grants for lead-based paint hazard abatement, and
- Grants for improvements in a home to improve accessibility for occupants with disabilities, through its Handicapped Accessibility Improvement Program (HAIP). In FY 2004, DHCD increased its maximum grant limit from \$10,000 to \$30,000.

The program underwent redesign in FY 2004 to enhance the delivery of needed services to the residents of the District. Management has developed new procedures and policy documents to govern program operations. Management has further begun to streamline the process for developing work specifications. This effort is expected to continue into FY 2005.

During the fourth quarter of FY 2004, DHCD also added a new initiative, by offering grant financing on behalf of low-income residents for the replacement of their privately-owned lead water service lines. This independent initiative expands the reach of the lead water service line replacement program of the DC Water and Sewer Administration (WASA), which is replacing the publicly-owned portions of those lines. This dual initiative will enable lower income households to take advantage of WASA's offer to replace the privately-owned portion of the lines (at the time it is doing the public portion) without facing an unaffordable cost burden to improve water safety. This initiative to protect the health and safety of DC residents will continue into FY 2005.

Despite its initiatives and other changes introduced this year, the program still assisted only 29 households, six short of its FY 2004 Action Plan goal of 35. A number of transactions failed to materialize in the last month of the fiscal year due to sudden scheduling or financing obstacles. Moreover, the shortfall was partly attributable to the time required to obtain Department of Health (DOH) clearance of lead-based paint risk assessments.

DHCD and DOH will work together in FY 2005 to improve the timeliness needed to complete this crucial step.

c) Increasing the Supply of Affordable Housing

Development Finance Project Funding:

The overall 2004 Action Plan goal of providing funding for 1,508 units of affordable housing was exceeded. DHCD funded rehab or new construction of 1,521 affordable units. There was a change in the types of units funded from the projections in the FY 2004 Action Plan. Through its competitive RFP funding process, DHCD received more qualified applications for pre-development funding for new construction units and fewer for multi-family rehab units than projected. This continues a change experienced in FY 2003. The multi-family rehab goal of 1,308 fell short by 353 units, but pre-development for new construction funded exceeded the projected 200 units by 366 units, for an overall total of 1,521 affordable units funded. See Appendix A, page 89, for specific project information.

Since FY 2001, DHCD has provided funding for over 9,000 affordable housing units.

d) Non-Housing Community Development & Community Organization Support

Neighborhood Investment:

Neighborhood-Based Activities are used to support the goals of neighborhood revitalization to benefit low and moderate income residents. DHCD provides an array of CDBG-eligible neighborhood based activities through non-profit organizations working in the communities they serve. Depending on community need in any given year, and the capacity of the organization these activities may include: commercial corridor and small business technical assistance, façade improvement, housing counseling services, support for tenants subject to expiring federal subsidies, crime prevention and predevelopment support for affordable housing. Underlying the housing programs is a support network of Community-Based Housing Counseling Organizations (CBOs) that provide residents with counseling services, assistance in applying for DHCD programs, housing location services and homeowner training. DHCD does not fund core organization functions. (See Tables 4, 5 on pages 11, 12; and Appendix B for specific activities funded.)

In FY 2004 DHCD surpassed key Action Plan targets for Community-Based housing counseling (4,000) and Small Business and Commercial Corridor Development (300 businesses). Small business and Commercial Corridor Development services continued to be in demand in FY 2004. The goal of assistance to 300 businesses was greatly exceeded, with neighborhood community development organizations providing assistance to 1,581 businesses. In addition, housing counseling services provided by community based organizations served 9,331 tenants, homeowners and potential homeowners. As a

result of the strong performance in these areas, the program goals for these activities will be increased for FY 2005.

Additionally, for FY 2005, DHCD has set aside \$1,000,000 for Crime Prevention efforts in high crime areas of the District. DHCD intends to partner with other District agencies, and if necessary, community groups to participate in the District government's overall crime reduction initiative.

e) Community and Commercial Development

DHCD distinguishes between major economic development activity and community development at a neighborhood-scale. DHCD plays a supplemental role to the Office of the Deputy Mayor for Planning and Economic Development in economic development by supporting neighborhood-based projects such as façade improvement and technical assistance to small businesses. It also supports neighborhood economic health through its H Street CDC business micro-loan program; by providing development or public service support for community facilities and by creating job opportunities through its construction projects.

Business Micro Loans: In FY 2004, the H Street CDC provided micro loans to four small businesses. Although this did not reach our projection of five loans, all applications received by the H Street CDC were satisfied. Prior year loans continue to be serviced. (See page 47 for list of micro-loans)

Community-Commercial Facilities:

As part of its RFP funding process, DHCD includes community and commercial facilities as a category for funding, based on neighborhood need. There is no specific set-aside, but historically about 4-8 qualified projects may be funded. For FY 2004, DHCD projected funding four such facilities, but actually funded seven, including planning studies.

Job Creation:

Temporary construction jobs are created as a part of the housing development that DHCD funds. Since projects are not built in the same year they are funded, the number of construction jobs is projected based on square footage—a standard method of determining job creation in the building industry. The '04 Action Plan goal of 2,000 (150 from Neighborhood-Based Activities) jobs was exceeded. Development projects funded in FY 2004 will produce 4,305 construction jobs during construction. (See Tables 14-15)

DHCD also promotes community development and job creation by contributing to infrastructure projects. These include the façade development projects described under "Community Organization Support." DHCD funded improvements for 98 façades in FY 2004. DHCD also provides funds to the D.C. Department of Transportation for streetscape improvements and the DC Housing Authority for site infrastructure improvements. In FY 2004, DHCD provided a total of \$3,842,615 of capital funds to three projects as follows:

\$942,615 for the demolition of Chadwick Apartments on Danbury Street SW, to assist with the development of 119 new affordable townhouses; \$300,000 to the Anacostia Gateway Government Center to assist with pre-development expenses associated with a new commercial office development; and \$2,600,000 for environmental remediation associated with the redevelopment of the Camp Simms site.

2. Factors Affecting FY 2004 Goals:

A number of factors are affecting housing and community development benefits for low and moderate income residents. The most serious of these is the change in the housing market prices that decreases the availability of properties to the low-moderate income residents. Other challenges include: a mismatch between cost of housing in the District and the earning potential of many residents; a mismatch exacerbated by the gap between skill and education levels of some residents for a job market requiring increasingly skilled and professionally-trained workers.

a) Housing Market

Starting in 2003 and continuing into FY 2004, sharp increases in home prices in Washington, D.C. and the surrounding suburban communities in Maryland and Virginia have created obstacles to providing low-moderate-income households with homeownership opportunities and with rehabilitated and new affordable housing.

The Metropolitan Washington region is experiencing an affordable housing crisis which is expected to get worse over the next decades due to the fact that housing production will not keep pace with economic development and job creation. According to a 2002 study published by the Center for Regional Analysis at the School of Public Policy at George Mason University, by 2025 the Greater Washington region is forecast to grow by 1,510,000 jobs and by 768,900 households (based on Cooperative Forecasts developed by local governments). As of the year 2000, the region already had a deficit in housing. By 2025, the forecast is that with the projected job growth, there will be a housing deficit of 218,200 units. Recently (Dec. '04) a court in northern Virginia revoked the county's attempt to obtain voluntary inclusion of up to 10% affordable units in private developments, a decision that could have chilling effects on other attempts, including DC's, to create inclusionary zoning.

Housing that qualified low-moderate income residents could previously afford to purchase is being bought for more than the asking price—continually decreasing the pool of properties available to the low-mod customer, even with homebuyer subsidies. This competition for all housing exacerbates the price inflation and the shortage of affordable housing. These same factors influenced owners of tax-delinquent properties to pay their taxes and sell their property in the open market. Neighborhoods once considered “undesirable” or “marginal” by some purchasers/developers, and where housing was relatively reasonably priced, are disappearing as the competition has spurred development

of more and more market-rate housing. Long commutes and increased air pollution throughout the region have also made city living more attractive, with the new competition pushing prices higher.

The Council of Governments' August 2004 Quarterly Housing News indicated that the average price of homes in the District of Columbia jumped from \$384,553 in the second quarter of 2003 to \$452,664 in the second quarter of 2004, an increase of 17.7%. The time a house remains on the market also decreased to an average of 20 days throughout the region. This was a decrease of 33%--indicating that both higher prices and competition are continuing to affect the availability of housing for low-moderate-income residents.

b) Employment and Education:

Combined with the shortage of affordable housing due to rising costs and competition, many DC residents are also faced with a significant gap between their earning capacity and the cost of housing.

The 2000 Census pointed out a disparity between the education and attendant earning levels of a significant percentage of DC residents and the kinds of jobs being created in the city and region. (Almost 43% had either not completed high school, or had gone no further than a high school education.) Limited opportunities for entry level and service positions exist, but the salaries in these positions will not make home ownership possible and will even make some rental units out of reach. A Census income distribution shows that 45% of all District households had incomes of less than \$35,000. This income is less than is needed to rent a two-bedroom unit according to analysis of either the FMR or Council of Governments Rental Housing Study.

3. Actions to Overcome Obstacles to Affordable Housing:

The District of Columbia has been taking steps to ameliorate the impacts of the current housing market, but is faced with the fact that existing resources will buy less in this competitive atmosphere. Some of the steps taken by the District government include: a) improving programs and processes to make project funding easier and faster; b) targeting investment both geographically and in its funding processes; c) using inter-agency coordination to leverage public funding and d) increasing outreach and marketing of programs and available funding.

a) Program and Process Improvements

Housing Production Trust Fund (HPTF)—DC provides a local dependable, dedicated source of funds to spur production of housing to meet both rental and ownership needs of

extremely low-, very-low- and low-income residents. In FY 2004, DHCD budgeted \$40,124,693 in HPTF dollars to expand affordable housing.

Home Purchase Assistance—the city increased the loan amount (up to \$30,000 for very-low-income residents) available for down payment and closing costs for low-moderate residents to purchase a first home through the Home Purchase Assistance Program. (HPAP) Loans were also deferred for five years, and many program loans were made forgivable. DHCD has also intensified its marketing of home purchase programs, including those aimed at critical public employees such as teachers, police, fire fighters and emergency service technicians.

Streamlined Funding Process—DHCD's funding process with its Notice of Funding Availability (NOFA) and its clear, predictable Request for Proposals (RFP) and Request for Applications (RFA) has made it easier and faster for developers and neighborhood-based organizations to access funding.

New Initiatives—In its Single Family Home Rehabilitation Program, DHCD has added an initiative to provide qualified resident home owners with grants to replace lead-contaminated water service lines on private property in conjunction with the Water and Sewer Authority funding water line replacement on public property.

Anti-Displacement Policy—It is DHCD's policy to minimize displacement in all of its projects. Each program officer in the Development Finance Division keeps track of any relocation required for a project. Project managers review developers' plans and revise those plans as necessary to minimize displacement. Where relocation is required, the project managers ensure, as part of the underwriting process, that the relocation plans are adequate and are funded as part of the project development costs. A number of DFD project managers have received training in the Uniform Relocation Act (URA). Development Finance also has convened a team to oversee project compliance, including URA compliance, and to update the Division's operating protocols to ensure that all specialized monitoring disciplines are being addressed.

In FY 2004, only one project had tenants on site and required the submission and approval of temporary relocation plans.

Increased Fair Housing Counseling and Outreach: To ensure that all available information on housing options is communicated to diverse groups and that language or cultural barriers do not prevent access to housing options, DHCD conducted a Third Annual Fair Housing Seminar; distributed information in Spanish, English and Vietnamese; began to translate its brochures into Chinese and Amheric, and monitored its programs and sub-recipients for compliance.

Proactive Interventions: DHCD added a proactive housing counseling program for tenants threatened with displacement due to the sale of buildings with expired Section 8

funding. DHCD obtains “opt-out” information from HUD and contacts tenant groups to offer assistance in developing options such as new rental units or tenant organization purchase of the building. During FY 2004, 3,506 tenants received counseling under this initiative.

Outreach and Marketing: DHCD stepped up marketing of its housing development and home owner loan programs through neighborhood forums; public housing tenant initiatives; DC employee home ownership workshops; stakeholder roundtables with the Director and media advertising.

b) Targeting Investment

i. By Geographic Areas

With available resources stretched by the changes in the DC market, it is imperative for the District to target its investments wisely and to continually improve its outreach and funding processes. The goal is to maximize leveraged investment to greatly expand the affordable housing supply and to continue to support increased ownership opportunities.

For FY 2004, the Department continued to target its funding to address the demographic changes and needs identified in the 2000 Census, in the Administration’s development priorities as noted in the Mayor’s City-Wide Strategic Plan, through DHCD’s Needs Assessment Hearings, and to meet current market challenges. Through its city-wide citizen participation process, the District’s Administration identified 13 areas for targeted investment. These remained priority areas for 2004.

Table 6: District Areas for Targeted Investment

1. Anacostia	8. Ivy City / Trinidad **
2. Bellevue	9. Minnesota / Benning
3. Columbia Heights	10. Near Southeast
4. Congress Heights	11. Pennsylvania Avenue / Fairlawn
5. Georgia Avenue, N.W.**	12. Shaw
6. H Street, N.E.	13. Takoma*
7. Howard University / LeDroit Park	

*Takoma Park is not a CDBG-eligible area because of higher area incomes.

** These areas are also HUD designated Neighborhood Revitalization Strategy Areas (NRSA)s.

These target areas meet the characteristics of the priority areas outlined in the District’s FY 2001-2005 Consolidated Strategic Plan, which targeted investment to:

- Emerging Growth Communities, where development momentum has been established, but where further periodic investment is needed, and where existing residents need housing assistance to prevent dislocation;

- Government centers, Metro stations and the Convention Center;
- Neighborhoods in which there is a dense concentration of tax-delinquent, vacant, abandoned and underutilized housing and commercial facilities; and
- Gateways to the city – their first impression sets the tone for visitors' interaction with the city.

(Appendix D contains a map of target areas and a list of census tracts with their minority concentrations.)

In addition to these target areas, there also are two Neighborhood Revitalization Strategy Areas (NRSA), Georgia Avenue, NW, and Carver Terrace/Langston Terrace/Ivy City/Trinidad. A new FY 2004 "Hot Spots" initiative also contains targeted areas, and this initiative will continue into FY 2005.

Under the Hot Spots initiative, the District of Columbia is targeting activities from all agencies into a concerted initiative to increase public safety and reduce crime in fourteen "hot spots". Many identified areas overlap DHCD's target areas. The hot spots are based on Metropolitan Police Districts and are as follows: First District: Sursum Corda and 1st Street-M Street, SW; Third District: 14th Street NW and North Capitol St.; Fourth District: Columbia Rd, NW, Georgia Ave. NW, Shepherd St. NW; Fifth District: Benning Rd. NE and W. Virginia Ave. NE; Sixth District: 50th Street NE and Clay Terrace NE; and Seventh District: Elvans Rd. SE, Valley Ave. SE, and Yuma St. SE.

Basis for Assignment of Priorities

This report has already cited factors affecting the availability of affordable housing opportunities in the District of Columbia. The negative fallout from the hot DC housing market and the implications of Census employment-earnings data have serious implications for housing affordability for District residents. In response, DHCD has focused its resources on areas where private market development threatens displacement; where initial revitalization efforts can benefit from public incentive; and where preservation of housing stock and ownership promotion will have a positive impact on individuals and neighborhood diversity.

Within the targeted geographic areas, DHCD will assist low and moderate-income residents by:

- Preserving existing housing stock with rehabilitation for low-moderate income residents, before market forces remove the possibility;
- Protecting existing resident-homeowners with rehabilitation loans to maintain property up to code and stay in place in neighborhoods undergoing change;

- Providing funding for tenant groups to purchase and convert buildings for homeownership in areas where renewal threatens displacement, or where expiring Section 8 program properties are being sold, and
- Supporting revitalization of neighborhoods by funding needed commercial and community services through construction and/or neighborhood-based service loans/grants.

ii. Through the Annual Competitive Funding Process

To ensure that DHCD initiatives are financed and started in a timely fashion in the District's competitive environment, DHCD has simplified and standardized the process it uses to invest its federal and local funds by using an annual competitive funding process. Starting with a Notice of Funding Availability (NOFA) and followed by a Request for Proposals (RFP) for development projects and a Request for Applications (RFA) for neighborhood services, potential developers and public service providers are provided with clear, complete instructions for applying for funds. Additionally, meetings are held with potential applicants to "walk them through" the process and eliminate confusion. The results of the competitive process are known before the start of the next fiscal year, and budgeted in the first quarter of that following fiscal year, which runs from October 1st to September 30th.

The location and specific projects to be funded are not known when the Action Plan is filed with the US Department of Housing and Urban Development (HUD) in August (preceding the end of DC's fiscal year), but the programs that DHCD will use, the amount and types of funds targeted for each program, who may apply, criteria for selection, the performance goals, and the geographic and population targets are all identified in the RFP process and referenced in each Action Plan.

The process is guided by HUD's "Guidelines for Preparing A Consolidated Plan Submission for Local Jurisdictions" (Office of Community Planning and Development), where the following is stated on page 18, **Location:** *"If the location of a specific project is not known or is confidential, the jurisdiction should identify the general area or activity. For projects for which the jurisdiction has not yet decided on a specific location, such as when the jurisdiction is allocating an amount of funds to be used for making loans or grants to businesses or for residential rehabilitation, the description shall identify who may apply for the assistance, the process by which the grantee expects to select who will receive the assistance (including the selection criteria), and how much and under what terms the assistance will be provided."*

RFP Development Project Types, Priorities and Uses of Funds:

The most common, *eligible* project types funded by DHCD with its combined federal and local resources include:

1. Preservation of Expiring, Federally Subsidized, Affordable Rental Housing
2. Special Needs Housing

3. Elderly Housing
4. New Construction of Affordable Rental or For-Sale Housing
5. Substantial Rehabilitation of Affordable Rental or For-Sale Housing
6. Community Facilities

Priorities:

DHCD gives priority, in its funding process, to certain types of projects and target areas:

- Projects in one of the 13 strategic neighborhood investment areas, hot-spots and two NRSAs, (See page 75 for target information, and page 92 for NRSAs.)
- Preservation of affordable housing for very-low and extremely-low-income households in buildings with expiring federal subsidies,
- Homeownership projects,
- Affordable rental housing development for extremely low-income households,
- Commercial and Community facilities that serve low-income communities, and
- Façade projects and commercial/retail building development in strategic investment areas or that leverage resources committed through the ReStore DC initiative.

iii. Through Coordination and Institutional Structure

Another way to remain competitive in the District's "hot market" is to maximize the leverage of public investment by working with other agencies and stakeholders. The District of Columbia government's institutional structure facilitates coordination and cooperation.

Executive functions are organized under the Mayor, City Administrator and four Deputy Mayors who supervise "cluster of agencies". This Deputy Mayor structure facilitates consultation across responsibility areas, and maximizes leveraging of public investments.

The Department of Housing and Community Development (DHCD) reports to the Deputy Mayor for Planning and Economic Development along with the following agencies: the D.C. Public Housing Authority (DCHA), DC Housing Finance Agency (DCHFA), Department of Public Works (DPW), Department of Consumer and Regulatory Affairs (DCRA), the Department of Employment Services (DOES) and the Office of Planning (OP). Weekly "Cluster" (groups of agencies by focus) meetings provide the opportunity to consult and coordinate plans and activities across disciplines. Participants discuss joint projects, legislative issues and other matters where coordination will promote common goals. The monthly Mayor's Cabinet Meetings provide another forum for consultation and coordination across the lines of "clusters" (human resources, criminal justice, parks & recreation, infrastructure etc.)

DHCD works closely with DCHA and DCHFA to maximize dollars available for housing opportunities for all income levels from extremely low to moderate income.

Partnering with the DC Housing Authority:

DHCD has partnered with the housing authority in redevelopment of the Frederick Douglass/Stanton Dwellings, the New East Capitol public housing communities and the Arthur Capper/Carrollsbury Dwellings through the HOPE VI Program.

The HOPE VI Program redevelopment plan for Frederick Douglass/Stanton Dwellings, renamed Henson Ridge, calls for a new, 600-unit community with all new infrastructure (streets, sidewalks and alleys), a new community center, new parks and open spaces, as well as significant investment in neighborhood schools. The development includes 320 home ownership units targeted to households with a range of incomes. The 280 rental units will serve a mix of public housing and moderate-income families. The housing mix also includes 42 senior bungalows, 28 stacked-flat apartments and 530 townhouses. To date, DHCD has committed \$8 million for infrastructure improvements, \$5.0 million in CDBG funds (disbursed) and \$3.0 million in capital funds (disbursement in progress). DHCD, at DCHA's request, is capping the expenditure of capital funds at \$1.0 million and is reprogramming the unexpended \$2.0 million to fund infrastructure construction at the Arthur Capper/Carrollsbury HOPE VI project.

The New East Capitol HOPE VI project, renames Capitol Gateway Estates (formerly East Capitol Dwellings and Capitol View Plaza along with a HUD-foreclosed property) originally was to include 555 units of newly constructed mixed-income units. One hundred ninety-six units were to be public housing, 214 affordable and market rate rental units and 145 home ownership units, utilizing both lease-to-purchase and Section 8 home ownership rules and ensuring home ownership for a number of current residents.

However, DCHA recently acquired Capitol View Plaza II from the Federal Housing Administration and has developed a new redevelopment plan for Capitol Gateway Estates that is about to receive final approval from HUD. The new redevelopment plan, with a total 761 units will include 152 units of senior housing, 221 tax credit housing units, 177 market rate units, and 211 units of public housing replacement. DHCD has committed \$10 million in funding for this project for infrastructure improvements; \$3.0 million in CDBG funds (disbursed), and \$7.0 million in capital funds (disbursement in process). DHCD also committed \$789,666 in Low Income Housing Tax Credits in FY 2003 to assist the construction of 151 new senior housing apartment units in the Senior Building.

iv. Through Outreach—to Community and to Developers

To ensure that eligible residents can take advantage of the affordable housing opportunities in the District and that potential developers are aware of the funding opportunities offered, the Department of Housing and Community Development (DHCD) conducts on-going community outreach and education program. (See pages 75-76 for further information on participation and outreach.)

DHCD's citizen outreach efforts are conducted in accordance with its Citizen Participation Plan via mass mailings, seminars, community meetings, etc. coordinated by the Office of Strategy and Communications (OSC). DHCD issues a minimum of four mass mailings a year (in excess of 800 per mailing) to Advisory Neighborhood Commission Chairs and Commissioners and various community-based organizations (CBOs), community development corporations (CDCs), and other public/private entities regarding DHCD activities. These include public hearings, budget hearings, notifications of City Council actions, Notice of Funding Availability (NOFA), DHCD events, press releases, legislative issues affecting affordable housing, community meetings, groundbreakings, ribbon-cuttings, and responses to the "Ask the Director" website link. Additional mailings are done as necessary.

Notice of Funding Availability—NOFA:

The competitive funding process employed by DHCD starts with a Notice of Funding which is followed up with a Request for Proposals (RFP) for development projects, and a Request for Applications (RFA) for Neighborhood-Based Investment. Notice is widely broadcast to non-profit and for-profit developers; to Community Development Corporations and other community-based organizations. Conferences are held to explain the application processes; hot lines provide quick response to questions that arise, and closing dates for proposals/applications are strictly adhered to. Independent selection committees assist DHCD with preliminary determinations. Stakeholders have expressed their satisfaction with the improved communications and openness of the funding process.
